Weekly Economic Review

Energy exports rebound

Merchandise Trade

Energy exports bounce back

After stumbling in the previous two months, Alberta exports bounced back in August amid stronger energy exports (Chart 1). The value of exports increased 6.5% month-over-month (m/m) to $8.1 billion, driven by a jump in crude oil volumes. This was partly offset by a decline in non-energy exports, which fell for the third straight month. Compared to 12 months ago, exports were up 15%, with improvements in both energy and non-energy products.

Oil Production

Bitumen jumps in July

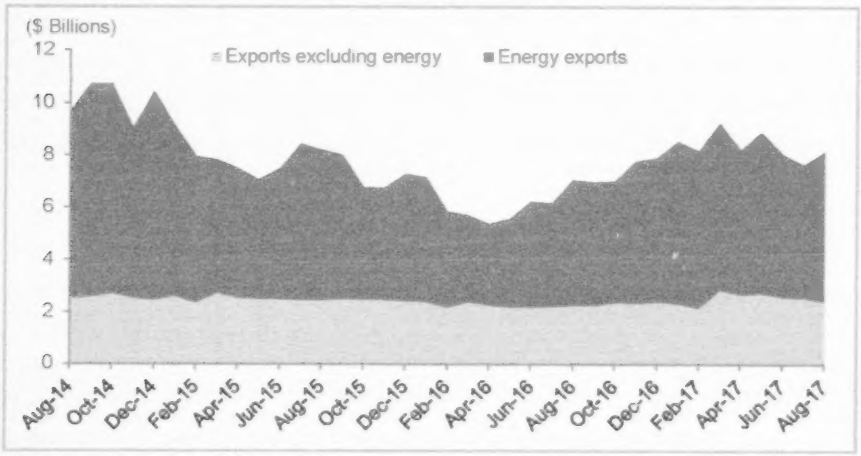
Oil production in the province continues to recover from earlier setbacks in the year. Alberta's crude oil production increased 6.7% m/m in July to reach 3.2 million barrels per day, as bitumen production experienced it's largest monthly gain in 12 months. Meanwhile, synthetic oil was up for a third straight month. This rise came despite a small fire occuring at an oil sands facility in early July. Compared to last year, oil production rose 8.2%.

Employment

Employment takes a step back

Employment retreated in September after a modest gain in the prior month. Alberta lost 7,800 jobs as the continued transition from part-time (-9,900) to full-time employment (+2,300) dampened job growth. On an industry basis, goods sector employment rose for the second month in a row to reach its highest level since April 2016. This was offset by ongoing losses in the service sector. Despite the job losses, the unemployment rate fell 0.2 percentage points to 7.9% as the labour force participation rate dipped to 72.0%. Year-to-date, employment was still up 0.9%.

Chart 1: Exports propelled by energy products
Alberta's international merchandise exports



Source: Statistics Canada

New Housing Investment

Investment on the rise

The recovery in new housing investment continues to accelerate. Investment in new housing construction stood at $761 million in July, up 20% from the same month last year. This was the strongest year-over-year gain since October 2014. Most of the gain was in new single-family dwellings, while multi-units saw the first year-over-year increase since February 2016. Nationally, new housing investment rose 6.4% y/y. Alberta accounted for 44% of the national increase.

Railway Carloadings

Carloadings losing steam

After holding flat in the previous month, railway shipments originating from Western Canada slipped in July. Carloadings decreased 5.8% m/m to 149 thousand railcars. This was mainly seasonal, since most of the decline was in agriculture and fertilizer freight. Compared to July 2016, carloadings were up 7.0%, with the largest gain in energy followed by agriculture products.

Contact

Daniel Letcher 780.427.8845

Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.

Alberta Government

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Treasury Board and Finance
Economics and Revenue Forecasting